

Message Text

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ORIGIN AF-04

INFO OCT-01 SS-14 ISO-00 EB-04 IO-06 TRSE-00 NEA-07
EUR-08 EA-06 DHA-02 NSCE-00 INR-05 INRE-00 OMB-01
L-01 SP-02 CIAE-00 SSO-00 /061 R

DRAFTED BY AF/EPS:CCUNDIFF:SFB
APPROVED BY AF:WCHARROP
AF:WBEDMONDSON
EB:PBOEKER
IO:CFRANK
TREASURY:ANACHMANOFF (SUBS)
E: RCOOPER (I;FO)
NEA:SPALMER (SUBS)
EUR:IRVINE (SUBS)
EA:EHEGINBOTHAM (SUBS)
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FM SECSTATE WASHDC
TO AMEMBASSY OSLO NIACT IMMEDIATE
AMEMBASSY STOCKHOLM NIACT IMMEDIATE
AMEMBASSY COPENHAGEN NIACT IMMEDIATE
AMEMBASSY BONN IMMEDIATE
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AMEMBASSY OTTAWA IMMEDIATE
AMEMBASSY CANBERRA IMMEDIATE
AMEMBASSY TEHRAN IMMEDIATE
AMEMBASSY JIDDA IMMEDIATE
AMEMBASSY ROME IMMEDIATE
AMEMBASSY THE HAGUE IMMEDIATE
AMEMBASSY BRUSSELS IMMEDIATE
AMEMBASSY WELLINGTON IMMEDIATE
AMEMBASSY KUWAIT IMMEDIATE
AMEMBASSY DUBLIN IMMEDIATE
AMEMBASSY LUXEMBOURG IMMEDIATE
AMEMBASSY ABU DHABI IMMEDIATE
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INFO USMISSION USUN NEW YORK IMMEDIATE
AMEMBASSY LONDON IMMEDIATE
AMEMBASSY PRETORIA IMMEDIATE
AMEMBASSY LUSAKA IMMEDIATE
AMEMBASSY NAIROBI IMMEDIATE
AMEMBASSY DAR ES SALAAM IMMEDIATE

C O N F I D E N T I A L STATE 206797

LIMDIS PRETORIA/ DAR ES SALAAM/ NAIROBI FOR ASST. SEC. MOOSE

E.O. 11652: GDS

TAGS: PDEV, RH

SUBJECT: ZIMBABWE DEVELOPMENT FUND: APPROACH TO POTENTIAL DONORS

1. FOR AMBASSADORS:

WE WISH YOU TO CONDUCT WITH YOUR BRITISH COUNTERPART A JOINT DEMARCHE TO YOUR HOST GOVERNMENT TO THE FOREIGN MINISTER, OR AT THE MOST APPROPRIATE LEVEL, TO SEEK EARLY REACTION TO OUR EFFORTS TO FIND A PEACEFUL SETTLEMENT IN RHODESIA AND AN EXPRESSION OF THE WILLINGNESS ON THE PART OF THE HOST GOVERNMENT TO CONTRIBUTE TO THE ZIMBABWE DEVELOPMENT FUND. WE HAVE AGREED WITH THE BRITISH THAT SUBJECT TO LOCAL CIRCUMSTANCES THEIR AMBASSADORS CAN TAKE THE LEAD IN EUROPEAN COMMUNITY AND COMMONWEALTH COUNTRIES. ELSEWHERE, AS APPROPRIATE, US AMBASSADORS CAN TAKE THE LEAD. IN THE NORDIC COUNTRIES, THE DEMARCHE SHOULD TAKE PLACE ON AUGUST 30 IN ORDER TO BRIEF THEIR MINISTERS BEFORE THEY DEPART FOR THE NORDIC FOREIGN MINISTERS CONFERENCE PLANNED FOR SEPTEMBER 1 AND 2. ELSEWHERE, THE CONFIDENTIAL

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DEMARCHE SHOULD OCCUR ON AUGUST 31.

2. FOR BONN, TEHRAN, THE HAGUE, OTTAWA, PARIS, TOKYO: YOU WILL, OF COURSE, WANT TO SUMMARIZE OR BRIEFLY NOTE AS APPROPRIATE THOSE POINTS WHICH YOU HAVE ALREADY MADE IN

YOUR PREVIOUS APPROACHES TO YOUR HOST GOVERNMENTS. YOU MAY MAKE YOUR DEMARCHE THIS TIME WITH REGARD TO THE FUND AT THE LEVEL WHERE IT WILL BE EXPECTED TO ACHIEVE THE BEST RESULTS.

3. FOR ALL ADDRESSEES: IF POSSIBLE, DEPT WILL ATTEMPT TO PROVIDE YOU WITH UPDATE OF DEVELOPMENTS OF AMBASSADOR YOUNG'S AND FOREIGN SECRETARY OWEN'S TRIP TO SOUTHERN AFRICA BEFORE THE DEMARCHE IS MADE. THIS IS HOWEVER PROBLEMATICAL AND YOU SHOULD PROCEED ON THE BASIS OF THE INFORMATION AND POINTS CONTAINED BELOW IF NECESSARY.

4. THE BRITISH AND US GOVERNMENTS HAVE FORMULATED COMPREHENSIVE PROPOSALS FOR A SETTLEMENT WHICH INCLUDE AN INDEPENDENCE CONSTITUTION, ARRANGEMENTS FOR A TRANSITIONAL ADMINISTRATION AND THE ESTABLISHMENT OF AN INTERNATIONALLY SUPPORTED ZIMBABWE DEVELOPMENT FUND. ALTHOUGH WE CANNOT HOPE TO SATISFY ALL THE ASPIRATIONS OF ALL THE PARTIES CONCERNED, BECAUSE OF THE CONFLICTING INTERESTS INVOLVED, WE BELIEVE THAT THEY ARE FAIR TO ALL AND CONSTITUTE A SOUND BASIS FOR A SETTLEMENT. (THE

ALTERNATIVE TO A NEGOTIATED SETTLEMENT CAN ONLY BE AN INTENSIFICATION OF THE GUERRILLA WAR, WITH ALL THAT THAT ENTAILS.)

5. THE PROPOSALS ARE BASED ON THE FOLLOWING ELEMENTS:
(A) THE SURRENDER OF POWER BY THE ILLEGAL REGIME AND A RETURN TO LEGALITY; (B) AN ORDERLY AND PEACEFUL TRANSITION TO INDEPENDENCE IN THE COURSE OF 1978; (C) FREE AND IMPARTIAL ELECTIONS ON THE BASIS OF UNIVERSAL ADULT SUFFRAGE; (D) THE ESTABLISHMENT BY THE BRITISH GOVERNMENT OF A TRANSITIONAL ADMINISTRATION, WITH THE TASK OF CONDUCTING THE ELECTIONS FOR AN INDEPENDENT GOVERNMENT; (E) A UNITED NATIONS PRESENCE, INCLUDING A UNITED NATIONS FORCE, DURING THE TRANSITION PERIOD; (F) AN INDEPENDENCE CONSTITUTION PROVIDING FOR A DEMOCRATICALLY ELECTED GOVERNMENT, THE ABOLITION OF DISCRIMINATION, THE PROTECTION OF INDIVIDUAL HUMAN RIGHTS AND THE INDEPENDENCE OF THE JUDICIARY; AND (G) A DEVELOPMENT FUND -- THE ZIMBABWE DEVELOPMENT FUND -- TO REVIVE THE ECONOMY OF THE COUNTRY.

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FRAGE; (D) THE ESTABLISHMENT BY THE BRITISH GOVERNMENT OF A TRANSITIONAL ADMINISTRATION, WITH THE TASK OF CONDUCTING THE ELECTIONS FOR AN INDEPENDENT GOVERNMENT; (E) A UNITED NATIONS PRESENCE, INCLUDING A UNITED NATIONS FORCE, DURING THE TRANSITION PERIOD; (F) AN INDEPENDENCE CONSTITUTION PROVIDING FOR A DEMOCRATICALLY ELECTED GOVERNMENT, THE ABOLITION OF DISCRIMINATION, THE PROTECTION OF INDIVIDUAL HUMAN RIGHTS AND THE INDEPENDENCE OF THE JUDICIARY; AND (G) A DEVELOPMENT FUND -- THE ZIMBABWE DEVELOPMENT FUND -- TO REVIVE THE ECONOMY OF THE COUNTRY.

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7. YOU SHOULD NOTE PRESIDENT CARTER PRESENTED THE OUTLINE OF THE PROPOSALS TO PRESIDENT NYERERE, CHAIRMAN OF THE FRONT LINE STATES, DURING THE LATTER'S VISIT TO THE UNITED STATES IN EARLY AUGUST. NYERERE WAS FAVORABLY IMPRESSED AND AGREED TO HELP ARRANGE LAST WEEKEND'S MEETING OF THE FRONT LINE PRESIDENTS AT WHICH AMBASSADOR

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YOUNG AND FOREIGN SECRETARY OWEN HAD THE OPPORTUNITY TO PRESENT THE PLAN IN DETAIL TO THE PRESIDENTS AND SUBSEQUENTLY TO THE PATRIOTIC FRONT LEADERS. OWEN AND YOUNG HAVE ALSO SPOKEN TO THE SOUTH AFRICANS, OTHER

RHODESIAN NATIONALISTS AND WILL SEE SMITH SEPTEMBER 1.

8. YOU SHOULD THEN STRESS THE GREAT IMPORTANCE WHICH WE PLACE ON THE ESTABLISHMENT OF THE ZIMBABWE DEVELOPMENT FUND AS AN INSTRUMENT SUPPORTIVE OF A JUST POLITICAL SETTLEMENT IN RHODESIA AND OF A MORE ASSURED ECONOMIC DEVELOPMENT BY AN INDEPENDENT ZIMBABWE. INDICATE TO THE HOST GOVERNMENT THAT THE FUND WHICH WE HAVE IN MIND IS ESSENTIALLY THE SAME AS THAT DESCRIBED TO THEM LAST DECEMBER. NOTE THAT THE DESCRIPTION OF THE FUND PROPOSAL CIRCULATED AT THAT TIME IS ALMOST IDENTICAL TO THE TEXT WHICH HAS BEEN INCORPORATED INTO THE CURRENT US/UK PROPOSALS (AS ANNEX C OF THE BRITISH WHITE PAPER) BUT THAT WE ARE NOW IN A POSITION TO SUGGEST THE POSSIBLE ROLE OF THE WORLD BANK AS AN AGENT FOR THE FUND. YOU MAY NOTE THAT WORLD BANK PRESIDENT MCNAMARA HAS BEEN CONSULTED AND AGREED TO COMMUNICATE WITH HIS EXECUTIVE BOARD ABOUT THIS POSSIBILITY OF A MANAGEMENT ROLE FOR THE BANK.

9. YOU MAY INDICATE THAT THE US AND UK VIEW THE ESTABLISHMENT AND CONTINUED OPERATION OF THE FUND AS PREDICATED UPON THE IMPLEMENTATION OF THE SETTLEMENT AS A WHOLE. YOU CAN ALSO SAY THAT THE US AND UK PLAN TO CALL A CONFERENCE OF DONORS AT AN APPROPRIATE TIME. IF YOU ARE ASKED ABOUT BILATERAL AID TO ZIMBABWE AFTER INDEPENDENCE, YOU SHOULD REFER TO THE LANGUAGE IN THE FIRST LINES IN PARA I IN ANNEX C OF THE WHITE PAPER WHICH ESSENTIALLY NOGES THAT WHILE BILATERAL CONCESSIONAL AID COULD BE COUNTED AS PART OF DONORS' CONTRIBUTION TO

THE FUND, THE GREATER PART OF EACH COUNTRY'S CONTRIBUTION
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SHOULD BE DIRECT TO THE FUND. IF QUESTION ARISES, YOU SHOULD EMPHASIZE THAT THE FUND IS NOT INTENDED TO BUY OUT WHITE RHODESIANS.

(10) WE HAVE AGREED WITH THE BRITISH ON YOUR USE OF THE FOLLOWING "SPEAKING NOTES" ON THE FUND IN THIS DEMARCHE. YOU MAY HAND OVER THESE SPEAKING NOTES TO THE HOST GOVERNMENT AS AN AIDE MEMOIRE.

(A) NATURE AND GENERAL OBJECTIVES OF THE ZDF. THE CENTRAL OBJECTIVES OF THE FUND WILL BE THOSE OF A DEVELOPMENT AGENCY. IN ITS OPERATIONS THE FUND WILL TAKE FULL ACCOUNT OF THE CIRCUMSTANCES PREVAILING IN ZIMBABWE AFTER INDEPENDENCE. THE FUND'S MANAGEMENT WILL PAY REGARD TO THE NEEDS OF THE COUNTRY IN THE SECTORS TREATED IN THE FOLLOWING PARAGRAPHS. HOWEVER, THE FUND WILL BE INTENDED NEITHER TO COMPENSATE ANY SECTION OF THE ZIMBABWEAN COMMUNITY FOR LOSSES SUSTAINED AS A CONSEQUENCE OF THE TRANSI-

TION TO INDEPENDENCE NOR TO ASSUME, OR DIRECTLY TO FINANCE THE DISCHARGE OF, INTERNAL OR EXTERNAL LIABILITIES WHICH WILL PROPERLY FALL ON THE INDEPENDENT ZIMBABWE GOVERNMENT.

(B) RESPONSIBILITY FOR DEVELOPMENT PLANNING. THE FUND'S OPERATIONS CAN BE SUCCESSFULLY DISCHARGED ONLY IN THE CONTEXT OF CLOSE COOPERATION BETWEEN ITS MANAGEMENT AND THE ZIMBABWE GOVERNMENT. NOTHING IN THE PROSPECTUS FOR THE FUND IS INTENDED TO DIMINISH THE FUNDAMENTAL RESPONSIBILITY OF THE ZIMBABWE GOVERNMENT BOTH FOR DEVELOPMENT PLANNING IN THE BROADEST SENSE AND FOR THE PARTICULAR SECTORS AND PROJECTS TO WHICH THEY WILL ACCORD PRIORITY.

(C) CONDITIONS ON WHICH THE FUND WILL EXTEND ASSISTANCE. IN ORDER FOR THE OBJECTIVES OF THE FUND TO BE SUCCESSFULLY CONFIDENTIAL

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FULFILLED, THEY WILL HAVE TO BE UNDERTAKEN IN A CLIMATE OF DOMESTIC AND INTERNATIONAL CONFIDENCE IN THE LONG-TERM DEVELOPMENT PROSPECTS OF ZIMBABWE.

IT WILL BE UNDERSTOOD THAT THE ZIMBABWE DEVELOPMENT FUND FORMS PART OF THE SETTLEMENT ARRANGEMENTS AS A WHOLE, AND THAT THEY IN TURN CONSTITUTE AN ESSENTIAL BASIS FOR THE ESTABLISHMENT AND CONTINUING OPERATION OF THE FUND.

(D) PUBLIC SERVICE PENSIONS. RESPONSIBILITY FOR PUBLIC SERVICE PENSIONS WILL PASS TO THE INDEPENDENT ZIMBABWE GOVERNMENT. THE PRESENT AND FUTURE LIABILITIES ARISING FROM SUPERANNUATION BENEFITS CANNOT BE BORNE BY ANY EXTERNAL AGENCY, BILATERAL OR INTERNATIONAL. HOWEVER, THE ZDF WOULD UNDOUBTEDLY TAKE THESE LIABILITIES INTO ACCOUNT IN DECIDING ON THE AMOUNTS OF ASSISTANCE ZIMBABWE WILL NEED, ESPECIALLY IN THE YEARS IMMEDIATELY FOLLOWING

INDEPENDENCE. SUCH ASSISTANCE, WHILE NOT DIRECTLY FINANCING SUPERANNUATION OBLIGATIONS, WOULD RELEASE RESOURCES TO HELP THE ZIMBABWE GOVERNMENT TO DISCHARGE SUCH OBLIGATIONS.

(E) AGRICULTURAL DEVELOPMENT, LAND TRANSFER AND SETTLEMENT. AGRICULTURE AND THE RURAL SECTOR GENERALLY WILL UNDOUBTEDLY RECEIVE A HIGH PRIORITY IN THE ZIMBABWE GOVERNMENT'S DEVELOPMENT PLANNING, AND THE FUND WILL BE ABLE TO ASSIST PROJECTS OF THE CONVENTIONAL KIND NEEDED IN THE RURAL SECTOR, SUCH AS COMMUNICATIONS, POWER SUPPLIES, IRRIGATION, THE AVAILABILITY OF CREDIT AND THE EXPANSION OF EXTENSION SERVICES. IN THE CONTEXT OF THIS GENERAL PROGRAM OF AGRICULTURAL DEVELOPMENT, RESETTLEMENT SCHEMES DESIGNED TO ACHIEVE A MUCH MORE EQUITABLE DISTRIBUTION OF CULTIVABLE

LAND WILL BE NEEDED.
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(F) AFRICANIZATION AND THE PUBLIC SERVICE. THE WELFARE AND PROGRESS OF THE PEOPLE OF ZIMBABWE IN THE YEARS AFTER INDEPENDENCE WILL DEPEND UPON THE ACTIVE PARTICIPATION IN DEVELOPMENT OF ALL SECTIONS OF THE POPULATION. TO HELP PROMOTE THAT COOPERATION, THE ZDF WOULD BE READY TO SUPPORT MEASURES DESIGNED TO PROMOTE THE FULLEST POSSIBLE USE OF SKILLED MANPOWER. EDUCATION AND TRAINING PROGRAMS WOULD BE DIRECTED TO THIS END, AND THE GOVERNMENT WOULD BE HELPED IN THIS WAY TO EMBARK ON A PROGRAM OF AFRICANIZATION OF THE CIVIL AND OTHER PUBLIC SERVICES. THE PROGRAM COULD BE ORGANIZED BY A RESTRUCTURED PUBLIC SERVICE COMMISSION WHOSE COMPOSITION WOULD COMMAND THE CONFIDENCE OF THE ZIMBABWE PEOPLE.

(G) MANAGEMENT OF THE FUND. OFFICIALS OF THE WORLD BANK HAVE INDICATED THAT THEY WOULD CONSIDER RECOMMENDING TO THE EXECUTIVE DIRECTORS THAT THE BANK MANAGE THE FUND'S RESOURCES ON AN AGENCY BASIS. MATTERS OF POLICY WOULD HAVE TO BE DELIBERATED ON AND DECIDED BY A GOVERNING BODY, WHICH MIGHT BE COMPOSED OF THE IBRD EXECUTIVE DIRECTORS REPRESENTING GOVERNMENTS CONTRIBUTING TO THE FUND TOGETHER WITH REPRESENTATIVES OF THE ZIMBABWE GOVERNMENT. CERTAIN PROJECTS CARRIED OUT IN ZIMBABWE WOULD ALSO BENEFIT NEIGHBORING COUNTRIES -- E.G., COMMUNICATIONS -- IN WHICH CASE THE COUNTRIES WOULD BE CONSULTED AS APPROPRIATE.

(H) FOREIGN EXCHANGE REQUIREMENTS. THE ZDF COULD SET ITS LEVELS OF ECONOMIC ASSISTANCE IN ACCORDANCE
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WITH ITS JUDGEMENT OF THE DEGREE OF HELP NEEDED BY THE ZIMBABWE GOVERNMENT TO MEET ITS TOTAL FOREIGN EXCHANGE REQUIREMENTS FOR ITS DEVELOPMENT NEEDS AND THE DISCHARGE OF ITS FOREIGN EXCHANGE COMMITMENTS, BOTH PUBLIC AND PRIVATE.

(I) PRIVATE CAPITAL. IT IS HOPED THAT THE OFFICIAL FLOWS OF FUNDS, BOTH BILATERAL AND MULTILATERAL, WILL BE COMPLEMENTED BY EXTENSIVE PRIVATE INVESTMENT IN AN APPROPRIATE CLIMATE OF CONFIDENCE. THE ZIMBABWE GOVERNMENT WOULD OF COURSE DECIDE FOR ITSELF THE ROLE OF PRIVATE INVESTMENT AND THE SECTORS IT WOULD WISH IT TO BE DIRECTED TOWARDS.

(11) ACTION REQUESTED: PLEASE ASK YOUR HOST GOVERNMENT FOR ITS SUPPORT OF OUR EFFORTS TO OBTAIN A PEACEFUL, NEGOTIATED SETTLEMENT IN RHODESIA AND FOR AN INDICATION OF ITS WILLINGNESS TO PARTICIPATE AS A CONTRIBUTOR TO THE PROPOSED ZIMBABWE DEVELOPMENT FUND ASSUMING THE US/UK SETTLEMENT PROPOSALS ARE LIKELY TO LEAD TO A SATISFACTORY SOLUTION OF THE RHODESIAN PROBLEM.

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DRAFTED BY:AF/EPS:FTHOMAS

APPROVED BY:AF/EPS:CCUNDIFF

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FM SECSTATE WASHDC

TO AMEMBASSY CARACAS

AMEMBASSY LAGOS

AMEMBASSY ABIDJAN

AMEMBASSY LIBREVILLE

C O N F I D E N T I A L STATE 206797

LIMDIS

FOLLOWING REPEAT STATE 206797 ACTION OSLO STOCKHOL COPENHAGEN
BONN TOKYO PARIS OTTAWA CANBERRA TEHRAN JIDDA ROME THE HAGUE
BRUSSELS WELLINGTON KUWAIT DUBLIN LUXEMBOURG ABU DHABI INFO
USUN LONDON PRETORIA LUSAKA NAIROBI DAR ES SALAAM DATED AUG 30:

QTE: C O N F I D E N T I A L STATE 206797

LIMDIS PRETORIA/ DAR ES SALAAM/ NAIROBI FOR ASST. SEC. MOOSE

E.O. 11652: GDS

TAGS: PDEV, RH

SUBJECT: ZIMBABWE DEVELOPMENT FUND: APPROACH TO POTENTIAL
DONORS

1. FOR AMBASSADORS:

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AN INDEPENDENCE CONSTITUTION, ARRANGEMENTS FOR A TRANSITIONAL ADMINISTRATION AND THE ESTABLISHMENT OF AN INTERNATIONALLY SUPPORTED ZIMBABWE DEVELOPMENT FUND. ALTHOUGH WE CANNOT HOPE TO SATISFY ALL THE ASPIRATIONS OF ALL THE PARTIES CONCERNED, BECAUSE OF THE CONFLICTING INTERESTS INVOLVED, WE BELIEVE THAT THEY ARE FAIR TO ALL AND CONSTITUTE A SOUND BASIS FOR A SETTLEMENT. (THE ALTERNATIVE TO A NEGOTIATED SETTLEMENT CAN ONLY BE AN INTENSIFICATION OF THE GUERRILLA WAR, WITH ALL THAT THAT ENTAILS.)

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RESOURCES TO HELP THE ZIMBABWE GOVERNMENT TO DISCHARGE SUCH OBLIGATIONS.

(E) AGRICULTURAL DEVELOPMENT, LAND TRANSFER AND SETTLEMENT. AGRICULTURE AND THE RURAL SECTOR GENERALLY WILL UNDOUBTEDLY RECEIVE A HIGH PRIORITY IN THE ZIMBABWE GOVERNMENT'S DEVELOPMENT PLANNING, AND THE FUND WILL BE ABLE TO ASSIST PROJECTS OF THE CONVENTIONAL KIND NEEDED IN THE RURAL SECTOR, SUCH AS COMMUNICATIONS, POWER SUPPLIES, IRRIGATION, THE AVAILABILITY OF CREDIT AND THE EXPANSION OF EXTENSION SERVICES. IN THE CONTEXT OF THIS GENERAL PROGRAM OF AGRICULTURAL DEVELOPMENT, RESETTLEMENT SCHEMES DESIGNED TO ACHIEVE A MUCH MORE EQUITABLE DISTRIBUTION OF CULTIVABLE LAND WILL BE NEEDED.

(F) AFRICANIZATION AND THE PUBLIC SERVICE. THE WELFARE AND PROGRESS OF THE PEOPLE OF ZIMBABWE IN THE YEARS AFTER INDEPENDENCE WILL DEPEND UPON THE ACTIVE PARTICIPATION IN DEVELOPMENT OF ALL SECTIONS OF THE POPULATION. TO HELP PROMOTE THAT COOPERATION, THE ZDF WOULD BE READY TO SUPPORT MEASURES

DESIGNED TO PROMOTE THE FULLEST POSSIBLE USE OF SKILLED MANPOWER. EDUCATION AND TRAINING PROGRAMS WOULD BE DIRECTED TO THIS END, AND THE GOVERNMENT WOULD BE HELPED IN THIS WAY TO EMBARK ON A PROGRAM OF AFRICANIZATION OF THE CIVIL AND OTHER PUBLIC SERVICES. THE PROGRAM COULD BE ORGANIZED BY A RESTRUCTURED PUBLIC SERVICE COMMISSION WHOSE COMPOSITION WOULD COMMAND THE CONFIDENCE OF THE ZIMBABWE PEOPLE.

(G) MANAGEMENT OF THE FUND. OFFICIALS OF THE WORLD BANK HAVE INDICATED THAT THEY WOULD CONSIDER RECOMMENDING TO THE EXECUTIVE DIRECTORS THAT THE CONFIDENTIAL

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BANK MANAGE THE FUND'S RESOURCES ON AN AGENCY BASIS. MATTERS OF POLICY WOULD HAVE TO BE DELIBERATED ON AND DECIDED BY A GOVERNING BODY, WHICH MIGHT BE COMPOSED OF THE IBRD EXECUTIVE DIRECTORS REPRESENTING GOVERNMENTS CONTRIBUTING TO THE FUND TOGETHER WITH REPRESENTATIVES OF THE ZIMBABWE GOVERNMENT. CERTAIN PROJECTS CARRIED OUT IN ZIMBABWE WOULD ALSO BENEFIT NEIGHBORING COUNTRIES -- E.G., COMMUNICATIONS -- IN WHICH CASE THE COUNTRIES WOULD BE CONSULTED AS APPROPRIATE.

(H) FOREIGN EXCHANGE REQUIREMENTS. THE ZDF COULD SET ITS LEVELS OF ECONOMIC ASSISTANCE IN ACCORDANCE WITH ITS JUDGEMENT OF THE DEGREE OF HELP NEEDED BY THE ZIMBABWE GOVERNMENT TO MEET ITS TOTAL FOREIGN EXCHANGE REQUIREMENTS FOR ITS DEVELOPMENT NEEDS AND THE DISCHARGE OF ITS FOREIGN EXCHANGE COMMITMENTS, BOTH PUBLIC AND PRIVATE.

(I) PRIVATE CAPITAL. IT IS HOPED THAT THE OFFICIAL FLOWS OF FUNDS, BOTH BILATERAL AND MULTILATERAL, WILL BE COMPLEMENTED BY EXTENSIVE PRIVATE INVESTMENT IN AN APPROPRIATE CLIMATE OF CONFIDENCE. THE ZIMBABWE GOVERNMENT WOULD OF COURSE DECIDE FOR ITSELF THE ROLE OF PRIVATE INVESTMENT AND THE SECTORS IT WOULD WISH IT TO BE DIRECTED TOWARDS.

(11) ACTION REQUESTED: PLEASE ASK YOUR HOST GOVERNMENT FOR ITS SUPPORT OF OUR EFFORTS TO OBTAIN A PEACEFUL, NEGOTIATED SETTLEMENT IN RHODESIA AND FOR AN INDICATION OF ITS WILLINGNESS TO PARTICIPATE AS A CONTRIBUTOR TO THE PROPOSED ZIMBABWE DEVELOPMENT FUND ASSUMING THE US/UK SETTLEMENT PROPOSALS ARE LIKELY TO LEAD TO A CONFIDENTIAL

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SATISFACTORY SOLUTION OF THE RHODESIAN PROBLEM.

VANCE UNQUOTE VANCE

CONFIDENTIAL

<< END OF DOCUMENT >>

Message Attributes

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Decaption Date: 22 May 2009
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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Type: TE
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